



Debt Facts and Figures - Compiled January 2011

This month's release includes a Christmas and New Year Report

Total UK personal debt

Total UK personal debt at the end of November 2010 stood at **£1,454bn**. The twelve-month growth rate was unchanged at 0.8%. **Individuals owe more than what the whole country produces in a year.**

Total lending in November 2010 rose by £0.7bn; secured lending increased by £0.8bn in the month; consumer credit lending decreased by £0.1bn (*total lending in Jan 2008 grew by £8.4bn*).

Total secured lending on dwellings at the end of November 2010 stood at **£1,240bn**. The twelve-month growth rate decreased 0.1% to 0.8%.

Total consumer credit lending to individuals at the end of November 2010 was **£214bn**. **The annual growth rate of consumer credit was unchanged at 0.6%.**

UK banks and building societies wrote off £9.9bn of loans to individuals in the last 12 months to end Q3 2010. In Q3 2010 they wrote off £1.83bn (£740m of that was credit card debt). **This amounts to a write-off of £20.10m a day.**

Average household debt in the UK is ~ **£8,495** (excluding mortgages). This figure increases to **£16,336** if the average is based on the number of households who actually have some form of unsecured loan.

Average household debt in the UK is ~ **£57,706** (including mortgages). **If you add to this the March 2010 budget report figure for public sector net debt (PSND) expected in 2015-16 (excluding financial interventions) then this figure rises to £109,928 per household.**

Average owed by every UK adult is ~ £29,875 (including mortgages). This is 126% of average earnings.
Average outstanding mortgage for the 11.4m households who currently have mortgages now stands at ~ £108,936.

Britain's interest **repayments on personal debt were £65.1bn** in the last 12 months. The average interest paid by each household on their total debt is approximately **£2,582** each year.

Average consumer borrowing via credit cards, motor and retail finance deals, overdrafts and unsecured personal loans has risen to **£4,398** per average UK adult at the end of November 2010.

The Office for Budget Responsibility (OBR) predicts that household debt will be £1,823bn by end 2015 which is a growth of £159m a day. This would take the average household debt to £72,341 per household.

Striking numbers

9,389
number of new debt problems dealt with by CAB each working day

1,732 people
made redundant daily

839,000
unemployed for > 12 months

£57,706
average household debt (including mortgages)

£178m
personal interest paid in UK daily

£20.10m
daily write-offs of loans by banks & building societies

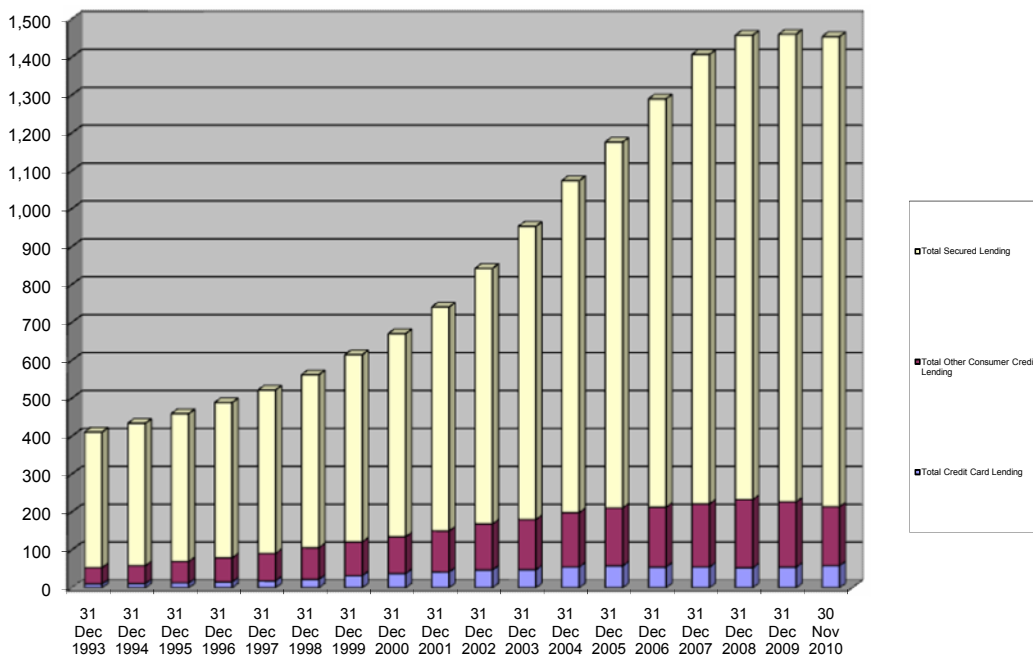
every 15 minutes
a property is repossessed

every 3.87 minutes
someone will be declared insolvent or bankrupt

£349,000,000
daily increase in Government national debt (PSDN)

£1,153,000,000
total value of all purchases made using plastic cards today

Total UK Personal Debt £bn



Statistical Sources - Unless otherwise indicated statistics in the "Total UK personal debt" section are calculated by Credit Action - primarily using the Bank of England's debt figures.

Today in the UK:

- **372 people every day of the year** will be declared insolvent or bankrupt. This is equivalent to **1 person every 53 seconds during a working day**.
- 1,716 Consumer County Court Judgements (CCJs) were issued every day during Q3 2010 and the average judgement amount was £3,312.
- **The average person will save £2.73 every day.**
- Citizen Advice Bureaux dealt with **9,389 new debt problems** every working day in England and Wales
- The average cost of raising a child from birth to the age of 21 is £26 a day.
- **1,000 people are seeking some form of formal debt rescheduling every working day.**
- **98 properties were repossessed every day during Q3 2010**
- **449 people a day became unemployed for more than 12 months** during the 12 months to end October 2010
- **1,732 people reported they had become redundant every day** during 3 months to end October 2010
- £349,000,000 is the amount that the Government Public Sector net debt (PSDN) will grow today (**equivalent to £4,040 per second**).
- **£127,400,000** is the interest the Government has to pay each day on the UK's net debt of £971 bn. This is estimated to rise to £182m a day in 2015-16.
- 207 mortgage possession claims will be issued and 154 mortgage possession orders will be made today
- 372 landlord possession claims will be issued and 248 landlord possession orders will be made today.
- The UK population is projected to grow by 1,178 people a day over the next decade
- 24.1m plastic card purchase transactions will be made today with a total value of £1.153bn.
- 7.9m cash withdrawals will be made today with a total value of £530m
- The average car will cost £16.08 to run today

Other key national statistics:

The UK economy **grew by 0.7%** in the third quarter of 2010 (this has been revised down from November's growth estimate of 0.8%).

There were 5.7 million working age benefit claimants at May 2010. This is a decrease of 89,000 in the year.

UK base rate fell to a 315 year low when the official bank rate was reduced to 0.5% on 5th March 2009 and has been held at that level for 22 months in a row.

There were 3,974 compulsory liquidations and creditors' voluntary liquidations in total in England and Wales in the third quarter of 2010 (on a seasonally adjusted basis). This was a decrease of 2.2% on the previous quarter and a decrease of 13.9% on the same period a year ago. In the twelve months ending Q3 2010, **approximately 1 in 133 active companies (or 0.8%) went into liquidation**, which is a slight decrease from the previous quarter, when this figure stood at 1 in 127. Additionally, there were 1,141 other corporate insolvencies in Q3 2010 (not seasonally adjusted) comprising 349 receiverships, 633 administrations and 159 company voluntary arrangements. In total these represented a decrease of 27.7% on the same period a year ago.

In November 2010 the **public sector net debt (PSND) was £971 bn**, equivalent to **65.2%** of gross domestic product and **equivalent to ~ £38,532 per household**. **PSND has increased £127.4 bn in 12 months (equivalent to a growth of £4,040 per second or £5,056 per household)**. **Net borrowing for the month was £22.8 bn**. The interest paid on this debt by the Government in the year April 2010 to November 2010 was £31.0 bn which is equivalent to ~ **£1,845 per household / annum**.

According to the **Coalition's June 2010 Budget report** the public sector net debt will peak at 70.3% of GDP in 2013-14, before declining to 67.4% of GDP in 2015-16. **The interest on this debt in 2015-16 is estimated at £66.5bn (equivalent to £182m a day)**.

The number of **unemployed people in the three months to October 2010 was 2.50 million (7.9%)**. **This is up 35,000** from the previous three months and up 18,000 from a year earlier. **158,000 people (1,732 a day) reported they had become redundant** in the three months up 15,000 from the previous three months and down 31,000 from a year earlier.

The number of people unemployed for more than 12 months increased by 41,000 (449 a day) over the quarter and increased 214,000 (34.3%) over the year to reach 839,000. The number of economically inactive people aged from 16 to 64 increased by 22,000 over the quarter and increased by 37,000 over the year to reach 9.29 million in the three months to October 2010.

Public sector employment decreased by 33,000 in the third quarter of 2010, to 6.014 million compared with the previous quarter.

The Office for Budget Responsibility (OBR) budget forecast for the number of general Government employees estimates a reduction from 5.53m in 2010/11 to 4.92m in 2015/16. They estimate that for the whole economy employment will rise from 28.89m to 30.23m.

In the year to November, the consumer prices index (CPI) rose by 3.3%, up from 3.2% in October. **The Retail Prices Index rose by 4.7% in November 2010 up from 4.5% in October**.

New car registrations fell 11.5% in November to 139,875 units. The market is performing ahead of forecast following the end of the Scrappage Incentive Scheme, driven by a recovery in fleet volumes which are up 10.7% over the year to date.

UK retail sales values increased 0.7% on a like-for-like basis from November 2009. On a total basis, sales were up 2.8% against a 4.1% increase in November 2009.

Christmas and New Year Report: A survey by money.co.uk has found that 80% of British adults are concerned about debt, savings and 'control of their money' as we head into 2011. These are reflected in some back-to-basics New Year money resolutions, with 29% of people focused on growing their savings during the year ahead and 30% focused on reducing debt.

A survey from Gocompare.com has found that 61.1% of people expect a difficult year financially in 2011, with 22.1% stating their biggest financial worry for the New Year is the rising cost of living.

First Direct report that 53% of UK adults cited not paying off their debts more quickly as their biggest regret of 2010. 37% identified not saving for retirement as their biggest financial woe.

A survey by R3 has found that over a million people say that it will take them more than 6 months to pay off money that they borrowed to fund Christmas. Furthermore, 7 million feared that they wouldn't have enough money to pay their bills at the end of December due to their Christmas spending, an increase of nearly 10% on the previous year.

Meanwhile, separate figures from moneysupermarket.com suggest that over 500,000 credit card users will take more than 12 months to clear their Christmas credit card debt, meaning they will still be in the red during 2011's festivities.

Santander also suggest that 3.6 million Britons are still paying off credit card debts from Christmas 2009. The total value of such debt is estimated at £1.1 billion, or £303 each.

Family Action has said that the poorest families pay disproportionately more over the Christmas period in a so-called Christmas Poverty Premium. According to Family Action, spreading the cost of Christmas in advance through pre-payment plans such as hampers costs between 20% and 200% more for the same basket of goods, while using home shopping instalment plans, for example through catalogues, can mean that poor families pay twice as much for goods.

A survey from Bright Grey suggests that during the lead up to Christmas 2010 (October, November and December) the average UK adult spent 45% of their salary on funding their lifestyle. The most common reason for overspending at Christmas (35%) was that "I will feel guilty if I do not give my family/children everything they ask for".

According to data from NS&I, only 20% of people said that they had a specific savings pot for Christmas spending set aside in 2010, down from 29% two years before. NS&I believe that this left 43% of people relying on money from their current accounts to spend over Christmas, up from 34% two years ago, prospectively leaving more people with a Christmas hangover now the holiday season is over.

Servicing Debt: Citizens Advice Bureaux across England and Wales advised 0.5 million clients about 1.85 million new problems in the three months between July and September 2010. Debt was the largest advice category with 589,163 enquiries (33% of all problems – including enquiries about mortgage and rent arrears, benefit overpayment debts – and a 1% increase on the same period last year). Citizens Advice Bureaux in England and Wales are currently dealing with ~ **9,389 new debt problems every working day**.

Research by the Money Advice Trust has found that 1.4 million UK adults accessed free, independent debt advice in 2010 (equating to 1 in every 33 adults) and predict that this could increase to 2 million in 2011. The research also found that, at any one time, up to 5 million people report arrears on consumer credit, failure to keep up with mortgage repayments, or difficulties with meeting credit commitments – however, only 1 in 6 of these people seek any form of advice.

The Bank of England's 2010 survey of the financial position of British households found that unsecured debt was held by 52% of all households surveyed. The proportion of unsecured debtors who found unsecured debt a burden increased to 51%, the highest level recorded by the survey.

According to moneysupermarket.com, over a third of Britons (equivalent to 17 million people) worry about their current or future financial situation on a daily basis. Half the population (49%) believe they could actually save money by taking better care of their finances but are doing nothing about it.

38% of people say they struggle financially to reach payday, according to a quarterly survey by R3. This equates to 18 million individuals across the UK. Those who struggle say that difficulties now begin on the 19th day of the month, a day earlier than in July when the 20th day of the month was identified as the point at which trouble started.

Figures from the Consumer Credit Counselling Service (CCCS) show that 26% of their clients claim one of the five main income replacement benefits. By the end of 2010 they will have given debt advice to roughly 110,000 people claiming at least one type of benefit or tax credit. The average income of a CCCS client claiming Job Seeker's Allowance is just £7,258 a year. Clients claiming benefits receive an average of £478 a month, which represents more than a third of their income.

Mortgage lenders took 8,900 properties into possession in Q3 2010 down from 9,400 in Q2 2010 according to the Council of Mortgage Lenders. This equates to **98 properties being repossessed every day or 1 property being repossessed every 15 minutes**.

In terms of payment difficulties, 176,100 mortgages ended Q3 2010 with arrears equivalent to at least 2.5% of the outstanding mortgage balance. This was down from 178,200 at the end of Q2 2010.

These figures are consistent with CML's prediction that 175,000 mortgages will end 2010 2.5% or more in arrears, lower than the original forecast of 205,000. A total of 28,400 repossessions have taken place so far in 2010, trending below the CML's revised forecast of 39,000 repossessions for 2010 as a whole, and significantly below the original forecast of 53,000.

The FSA estimate that at the end of Q3 2010 there were **346,000 loan accounts in reportable arrears (> 1.5% of current loan balance)**, a decrease of 2% from Q2 2010. At the end of Q3 2010, loans in arrears represented 2.97% of the value of the residential loan book.

The Insolvency Service said there were 33,935 individual insolvencies in England and Wales (**372 people a day or 1 every 3.87 minutes**) in Q3 2010. This was a decrease of 2.3% on the previous quarter and a **decrease of 3.7%** on the same period a year ago.

However, there remains something of a 'debt iceberg' with many more people in unrecorded Debt Management Plans which are not included in today's statistics. According to estimates by R3 this could amount to 500,000 people, more than double the number in formal insolvency procedures. Below them, under the waterline are another 574,000 who

are struggling financially but have contacted their creditors informally. More worrying is another group further down comprising of 961,000 individuals who are struggling with debts but have not sought help. This group could find themselves in formal insolvency procedures unless they take swift action.

The Finance & Leasing Association report a decline in consumer credit lending. Across all channels, consumer lending was down 8% in October. Some sectors saw much larger declines, including the credit offered by high street retailers which totalled £297m in October compared with £426m in the same period last year. The value of new store card finance fell by 33% and store instalment credit 27%, compared with October 2009.

Research by More Than Legal Services has revealed that the total amount of unpaid debt between family and friends stands at £44.6bn, with 32% of people saying this has caused rifts which may never be repaired. 40% admitted they wouldn't be able to repay the money lent, and 24% admitted to borrowing money with no intention of ever paying it back.

In 2008, there were around 4.5m fuel poor households in the UK, up from 4.0m in 2007. In England, there were around 3.3m fuel poor households up from 2.8m in 2007.

A recent survey by Christians Against Poverty amongst its debt advice clients showed that:

- 77% of clients in relationships said debt affected their relationship, with 28% saying it caused relationship to break down entirely
- 38% considered or attempted suicide as a way out
- 74% visited GP, with 44% of all clients being prescribed medication to help them cope
- 72% sacrificed meals – 30% of all clients did so regularly
- 48% feared losing their home and further 15% did actually lose their home
- 65% of clients with children said debt affected their ability to provide for them, either making them unable to clothe or feed them adequately.
- 92% of clients rated CAP's service as "life transforming" or a "great help"

Plastic card / Personal Loans: The UK Payments Council has revealed that the amount spent in the UK on debit cards over the course of a year has exceeded the amount spent using cash for the first time ever. The historic milestone was passed over the last August Bank Holiday, when the running total of debit card spending during the year (£272bn) overtook the cumulative amount of cash (£269bn) spent in the economy.

There were 143.7m debit, credit or charge cards in circulation in the UK at the end of 2009 according to the UK Payments Council. **An average 279 plastic card purchases were made in the UK every second** during Q3 2010 using debit and credit cards (equal to £13,356 /second). 91 cash withdrawals were made every second (equal to £6,134 / second) from UK's 63,294 cash machines during Q3 2010.

There are **more credit cards in the UK than people** according to the UK Payments Council. At the end of 2009 there were 64.4m credit and charge cards in the UK compared with around 62m people in the country.

Research by Sainsbury's indicates that **1.2 million people are spending over £1000 per month online on credit cards**, with the average online spend being £192 a month

Research from moneysupermarket.com reveals 41% of credit card users have had a balance outstanding on their main credit card **for a year or more, with a shocking 14% saying they have held debt on their card for over five years**. Almost one in ten (9%) of credit card holders admit they only pay off the minimum amount each month - this equates to over three million people in the UK. The average length of time a balance is left outstanding on cards is currently a whopping 21 months.

Total credit card debt in November 2010 was **£58.4bn**.

The average interest rate on credit card lending is currently **18.48%, which is 17.98% above base rate (0.5%)**.

According to the BBA the proportion of balances bearing interest is 70%.

Young people - the IPOD generation: A report published by the Joseph Rowntree Foundation has found that the number of children living in poverty in working households has increased to the highest level on record. While the overall number of children living in poverty fell over the past year to 3.7 million, the number living in working families rose slightly to 2.1 million, and now accounts for 58% of the total.

The unemployment rate for economically active 18 to 24 year olds increased 9,000 (1.2%) in the last 3 months to reach 737,000. **This means that 17.6% of all economically active 18 to 24 year olds are unemployed**. 331,000 (45%) have been unemployed for > 6 months. 198,000 **have been out of work for over 12 months** which is an increase of 6,000 (3.1%) over the last 3 months and an increase of 36,000 (22.0%) over the last 12 months.

The number of 18-24 year olds not in education, employment or training (NEET) at the end Q3 2010 was 885,000 (18.7%). The number of 16-18 year NEETs stood at 266,000 (13.8%) at the end of Q3 2010. **The total of 16 – 24 classed as NEETS now stands at 1,026,000.**

Citizens Advice report that 729,825 young people aged under 25 sought help from them over the year ending March 2010. This is an increase of 21% on the year before. Four issues accounted for 80% of problems: debt (which was the subject of a third of enquiries), benefits (a quarter), employment (12%) and housing (10%). The biggest single issue that under 25s sought help on was personal loans.

A study by M&S Money has revealed that the UK's parents are still worried about whether the next generation will be able to manage their own money. A quarter think it will be easier for their children to get into debt than it was for them, and a third believe their children will be less able to handle money than they are. 19% said that their children will be ill equipped to deal with their own finances as there is too much jargon to wade through and not enough practical guidance in school. However, a third believed imparting their own experiences could help children learn and improve their chances.

71% of parents of undergraduate students have concerns about providing financially for their son or daughter while they are at university. Moreover, a third (33%) of all parents are very or extremely concerned according to the research by the Consumer Financial Education Body (CFEB).

Pensioners / Pensions: Figures from M&S Money have revealed that, during the first 18 years of a child's life, grandparents in the UK are providing an average of £6165 worth of support. Grandparents spend an average of £315 on each grandchild in their first year. In each further year they spend an average of £257 on additional items and £68 on Christmas and birthday gifts.

According to research from Aviva, 74% of over-55s say that the rising cost of living is their biggest concern over the next 6 months. 70% say that it is their biggest concern over the next five years.

A survey by Defaqto has found that 44% of consumers are not confident that their needs will be met in retirement. This is up from 38% of people in 2009. Only 11% of people are very confident that their retirement income will meet their needs, down from 16% last year.

A survey by YouGov for the Institute of Financial Planning has found that only 22% of people are clear how much they have to save and for how long in order to achieve the standard of living they want in retirement.

Figures from the Alliance Trust Research Centre show that those in the 65-74 year old age group face an inflation rate of 4.0% while over 75s face an inflation rate of 3.8%. This is compared to the headline rate of 3.3%. However, for the fourteenth consecutive month those in the 50-64 year old age group face the highest rate of inflation – 4.1% this month.

Research from Age UK suggests that more than half of over 60s are dreading the cold this winter, with those at the bottom of the social scale twice as likely to be fearful as those at the top. Two in five people aged over 60 (4.6 million people) say they are concerned about being able to afford their energy bills.

The number of people aged 50+ out of work is 395,000, which is an increase of 0.3% over the last quarter and an increase of 2.3% (9,000) over last year. The number of people over 65 in work decreased by 19,000 in the three months to the end of October to 844,000, **although this is a rise of 86,000 (11.3%) over the previous year.**

Two in five 50-plus unemployed workers (43.5%) - a total of 172,000 people - have been out of work for over a year. 76,000 have been unemployed for more than 2 years

At May 2010, there were 12.7m people of state pension age claiming a DWP benefit, an increase of 229,000 since May 2009. Of these, 67% were claiming State Pension (SP) only.

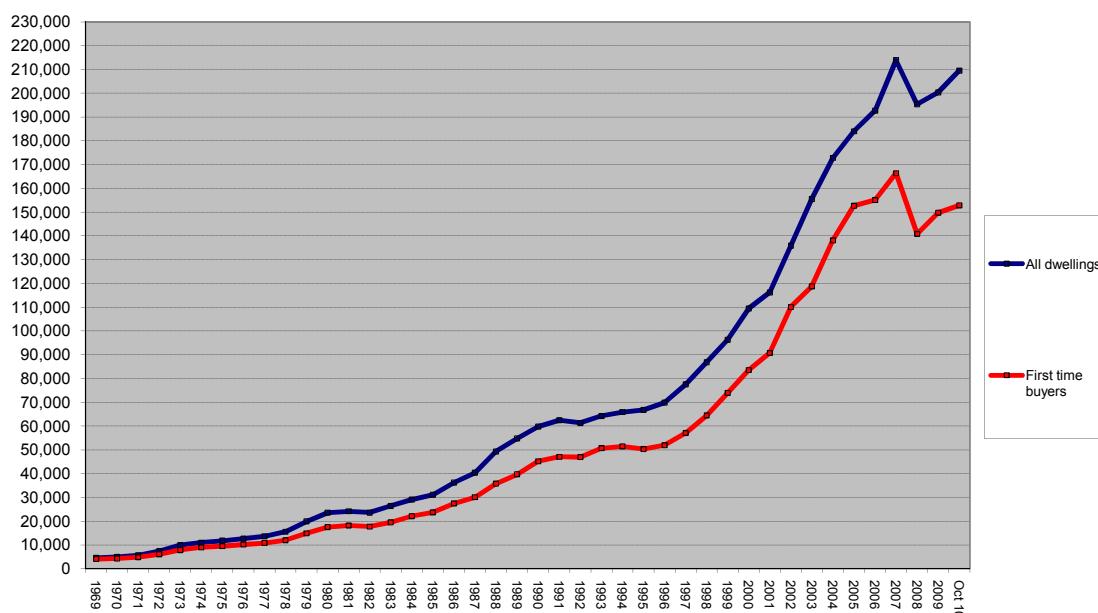
The proportion of retired households in the population rose from 22% in 1977 to 26% in 2008/09. There are 8.6m pensioner units in the UK (single pensioners over state pension age or pensioner couples, married or cohabiting pensioners, where one or more are over state pension age). In 2008/09, pensioner couples received average income of **£564 per week**, compared with £304 per week for single men pensioners and £264 per week for single women pensioners.

Pensions provide modest levels of annual income for many pensioner households. In 2008/09, 53% of single pensioners had total pension income (state benefit income and private pension income) of **less than £10,000**, while 36% of pensioner couples had less than £15,000.

Housing: According to the Department for Communities and Local Government (DCLG) the average house price in the UK in October 2010 stood at **£209,466** (£216,815 in England). The annual rate of UK house-price inflation is 5.5%. **The annual rate of house-price inflation in London is 8.5%.**

Average UK house prices were 0.2% lower over the quarter to October 2010 compared to a quarterly increase of 0.5% in July (seasonally adjusted).

UK Average House Prices £



The average Mortgage Interest rate is 3.51%.

Gross mortgage lending totalled an estimated £11.1 billion in November, down 5% from October (£11.6 billion) and down 10% from November 2009 (£12.3 billion). This is the lowest November total since 2000 (£10.9 billion).

Halifax said that house prices fell by £241 in November 2010. **This is a monthly fall of 0.1%.** Prices fell 2.1% over the quarter and fell 0.7% over the year.

Nationwide estimated that house prices rose 0.4% during December 2010, and rose 0.4% over the year.

The November RICS Housing Market Survey continued to show more surveyors reporting falling rather than rising prices. The Survey also reports a decline in the number of new instructions coming to market for the second consecutive month (after 8 months of growth), while the decline in the number of new buyer enquiries accelerated.

Hometrack monthly survey of over 5,100 agents and surveyors highlights a dip in housing demand as consumer confidence falters and the seasonal slowdown starts early. Demand for housing dropped by -4.3% in November. This is the fifth month in a row that demand has fallen and the largest single monthly decline since January 2009. As the outlook becomes uncertain, so the supply of homes coming to market has begun to fall. The number of properties for sale fell by -0.4% in November. This is the first time in 9 months that the Hometrack survey has registered a fall in supply.

Rightmove said new sellers cut average asking prices by 3.0% (£6,969) in December. Falls have now been recorded in 5 of the last 6 months.

According to the NAEA the number of house-hunters registered per branch increased on average from 218 in October to 241 in November, the number of sales agreed per branch remained the same at 7 in October and 7 in November and the average number of properties available for sale per branch decreased from 67 in October to 64 in November.

House purchase approvals (29,991) were marginally lower in November, according to the British Bankers Association. The average loan approved for house purchase rose in November to **£145,000 which is 1.9% higher than a year ago.**

Existing home sales across the United States (including single-family, townhomes, condominiums and co-ops) increased 5.6% over last month and fell 27.9% year on year in November 2010. The **average price increased 0.4% year on year** to \$170,600. RealtyTrac® said there were a total of 262,339 foreclosure filings — default notices, auction sale notices and bank repossessions — were reported on U.S. properties in November 2010, a 21% decrease in total properties from last month and a 14% decrease from November 2009. The report also shows that one in every 492 of all U.S. housing units received a foreclosure filing during the month. November 2010 was the first month since February 2009 that fewer than 300,000 U.S. properties received a foreclosure notice.

According to a survey published by Shelter in December 2010, the equivalent of 835,000 households, admit to being in arrears with their rent or mortgage, compared to 405,000 households in October 2009. Households with children are most at risk, with an estimated 480,000 children currently living in families which are falling behind with housing costs. Furthermore, 15% of respondents to the survey (equivalent to 3.7 million households) say they constantly struggle to pay their rent or mortgage, almost double the 8% recorded in October 2009.

Citizens Advice say that they dealt with 14% more housing problems in the three months between July and September 2010 than they did in the same period the previous year.

Housing First Time Buyers (FTB) & Buy-to-let: The average house price in the UK in October 2010 for first time buyers now stands at **£152,824** which is an **annual increase of 3.4%**.

Genworth financial research shows that in 2009, there were 28,000 mortgage advances to first time buyers who did not have more than a 10% deposit; down from 245,000 in 2006. This is a drop of almost 90%.

As at the end of September, there were 1.29 million buy-to-let mortgages outstanding, worth a total of £150 bn. By value, buy-to-let mortgages accounted for 12.1% of all mortgages.

The typical first-time buyer deposit in October was **20% (£29,412)**. The average first-time buyer borrowed 3.19 times their income and the average first-time buyer loan was £117,647.

According to the RICS Residential Lettings Survey for Q3 2010, tenant demand increased at a faster pace in the three months to October than in the previous quarter. 33% of surveyors reported a rise in demand for property than a fall, compared to 27% last quarter.

Money Education: Lloyds TSB suggests that the financial crisis has helped to increase people's awareness about their financial affairs to an all time high. According to a survey, 57% of British banking customers (equating to 27 million people nationally) are more confident about how they manage their finances than ever before, with over 6 million consumers saying that the financial crisis had contributed to improvements in their ability to manage money.

A survey by M&S Money has found that some 14-18 year olds are given no help on basic money matters by their parents. 19% of parents have never discussed how to spend money with their teenagers, and 32% have yet to discuss how to budget or even describe what one is.

Lack of financial education has cost Brits nearly £250 million in charges and penalties alone, with almost a quarter (24%) having been hit by charges because they don't understand the terms and conditions of financial products, according to research from uSwitch.com. Moreover, almost three quarters of Brits (71%) say that a lack of basic personal financial understanding is to blame for debt.

The same survey also found that less than one in ten people (7%) think we are financially educated as a nation. Despite the fact that consumers can take out financial products such as credit cards and loans as soon as they hit 18, worryingly, on average most people don't become knowledgeable about personal finance until they are 27 years old.

AXA estimate the number of adults afflicted by Money Sickness Syndrome has doubled since 2006. **87% of people have suffered from financial stress. More than one in 10 suffers from financial stress all the time**, over a quarter frequently and one third sometimes. Over the past 12 months 63% of adults have felt their financial stress increase. The hardest hit were those in junior managerial and supervisory jobs, with 66% complaining of rising stress levels over money in the last year. However, one in five (21%) of high-level managers and professionals complained of suffering constant money-related stress.

Aviva's Feel-Good Insight Study, produced in conjunction with a leading psychologist at City University, London, indicates a **strong link between financial behaviour and self esteem - but proves money doesn't buy happiness**. In short, those with sensible financial plans in place are happier overall and have a stronger sense of "financial wellbeing", regardless of their salary.

Spending: A survey by uSwitch.com has found that 79% of people believe that the New Year VAT increase will have an impact on their finances. 71% of people surveyed said they were thinking twice about spending this year due

to the hike – 49% said that they would think twice about buying anything “non-essential”, and 24% suggested that they would reconsider big purchases.

According to annual research by the Charities Aid Foundation, charitable donations made by the UK public rose by £400 million last year to a total of £10.6bn. The number of people giving regularly has also increased to 56%, a rise of 2% on last year. However, the total amount given has not yet returned to the pre-recession peak of £11.3bn recorded in 2007/08.

A survey by Bright Grey has suggested that almost 7 million UK adults (14%) are living beyond their means in order to fund their lifestyle. A further 4.9 million (10%) have no idea how much they spend every month in relation to their earnings. 29% of people said that spending sometimes put a strain on household finances, and 8% (equivalent to 3.9 million adults) admitted that their spending had pushed their household finances into debt.

With Prince William and Kate Middleton preparing for their big day in April, Weddingplan estimates that the average cost of a wedding is now in excess of £21,000.

The average new family car now costs £5,869 annually to keep on the road, equating to £112.87 per week or 48.91p per mile.

uSwitch estimate that 4m British women are in the grips of shopaholicism , resulting in unsecured debts of £13 bn. Shopaholics have an average personal shopping debt of £3,353 - nearly three times the national average of £1,147. 74% use a combination of credit cards, storecards, overdrafts and loans to feed their addiction and 41% will ignore their overdraft limit to purchase a ‘must have’ item .

The annual survey from insurance and investment group LV= on the Cost of a Child, now in its seventh year, shows that, for the first time, parents are likely to have to shell out more than £201,000 on raising a child from birth to the age of 21. This equates to £9,610 a year, £800 a month or £26 a day.

Savings: NS&I’s Quarterly Savings Survey has revealed that the amount of money the population is saving has decreased. On average, Britons are setting aside £82.92 every month (6.69% of their monthly income), a decline from 12 months ago when the population was saving £88.65. This figure is also down from last quarter when the average amount saved per month was £87.37.

According to figures released by unbiased.co.uk, savings reached a yearly high of £21bn in the third quarter of 2010, compared to £18bn at the beginning of the year. Meanwhile, Britons paid off £2bn of debt in the third quarter, equating to 10p repaid from every £1 saved, although this is down from the start of 2010 when people were repaying 27p for every £1 saved.

According to research from the Skipton Building Society people could achieve financial happiness simply by saving an extra £6.75 a week, equivalent to the cost of a daily chocolate bar. When people were asked how much they needed to save to feel happy about their financial situation, the average amount given was £194 a month. On average, people save £167 a month, meaning they are only falling £27 short of their happiness target, or £6.75 a week.

15 million Britons could not survive until the weekend on savings. HSBC research reveals that 30% of adults have less than five day’s average pay in savings (£249) set aside as a financial safety net.

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